

## Message Text

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PAGE 01 MANILA 03427 101007Z

12

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 AGR-05 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

OMB-01 L-03 /045 W

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P 100916Z MAR 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 2883

C O N F I D E N T I A L MANILA 3427

E.O. 11652: GDS

TAGS: EPAP, RP, US

SUBJECT: GOP REACHES LONG-RANGE SUGAR AGREEMENT WITH SUCREST

1. PRESIDENT MARCOS INFORMED ME MARCH 9 THAT AGREEMENT HAS BEEN REACHED WITH SUCREST REFINERIES OF PHILADELPHIA FOR A LONG-RANGE CONTRACT UNDER WHICH PHILIPPINES WILL SELL MINIMUM OF 650,000 TONS OF RAW SUGAR PER YEAR FOR REFINING IN SUCREST PLANTS. HE SAID FORMAL AGREEMENT WILL BE SIGNED IN MANILA MARCH 17.

2. I MET SUCREST PRESIDENT WHEN HE WAS HERE RECENTLY AND HE SEEMED OPTIMISTIC HE COULD ARRANGE LONG-TERM "TOLLING" CONTRACT FOR REFINING PHILIPPINE SUGAR FOR U.S. MARKET. HOWEVER, I HAD IMPRESSION TONNAGE FIGURES WERE MORE MODEST THAN THOSE CITED BY MARCOS.

3. SUGAR TRADE HERE CONTINUES TO CONTEND THAT SUCREST AND PNB FAILED TO REACH AGREEMENT, BECAUSE PNB WISHES TO SELL AT FIXED PRICES, RATHER THAN ACCEPTING "TOLLING" FORMULA. HOWEVER, SUGAR PRODUCERS GROUP HAS RECENTLY SENT LETTER TO MARCOS URGING HIM TO PLACE MORE EMPHASIS UPON PNB EFFORTS TO SELL SUGAR IN TRADITIONAL U.S. MARKET.

4. COMMENT: IF MARCOS INFORMATION IS FIRM, THIS SUCREST CONTRACT IS GOOD NEWS, BOTH FOR PHILIPPINE SUGAR INTERESTS  
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PAGE 02 MANILA 03427 101007Z

AND FOR LARGER U.S. RELATIONS WITH PHILIPPINES A CHRONIC

ADVERSE BALANCE OF PAYMENTS WITH U.S., WHICH WOULD RESULT  
FROM CONTINUED LOW LEVEL OF U.S. SUGAR IMPORTS, COULD  
CAUSE DIFFICULTIES FOR U.S. BUSINESS FIRMS SELLING U.S.  
PRODUCTS IN THIS COUNTRY. STATE OR AGRICULTURE MAY WISH  
CHECK WITH SUCREST TO DETERMINE FIRMNESS OF CONTRACT.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, SUGAR, CONTRACTS  
**Control Number:** n/a  
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**Draft Date:** 10 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976MANILA03427  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**TAGS:** EPAP, RP, US, SUCREST REFINERIES  
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